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SUBJECT: OLYMPIC DISAPPOINTMENT IN CENTRAL CHINA AS HENAN ON OUTSIDE
LOOKING IN

REF: BEIJING 7046

SUMMARY

¶1. (SBU) Contacts in Henan Province said they are disappointed that Central China has been largely excluded from the events surrounding the 2008 Beijing Olympics even as they look forward to the Games as a "national event" and a "showcase." One official went so far as to say that because all of the athletic events will take place on the coast, the Olympics will symbolically demonstrate to the world and to the Chinese people the growing wealth gap between Central China and the coast. At the same time, however, our contacts acknowledged that Central China is not prepared logistically-speaking to host events of the magnitude of the Olympics. Officials hope that Henan will benefit from the Olympics by using the Games as a vehicle to attract more investment and more tourists. END SUMMARY

TRAVEL TO HENAN PROVINCE

¶2. (U) Emboffs traveled to Henan Province November 13-16 with stops in Anyang, Kaifeng, and Zhengzhou. Emboffs met with officials from the Municipal Foreign Affairs Office, Development and Reform Commission, and Bureau of Commerce in Anyang (an industrial city) and Kaifeng (a tourism destination), both of which are considered "third-tier" cities in China, and exchanged views with students at Henan University in Kaifeng. Emboffs visited Zhengzhou on November 16 to meet with Provincial level officials and talk to students at Henan Light Industry University. Zhengzhou is a VPP city, and photos from this trip can be found at <http://zhengzhou.usvpp.gov>.

OLYMPICS A "NATIONAL" EVENT

¶3. (SBU) Henan Provincial and Municipal officials as well as university officials said they are excited about the upcoming 2008 Beijing Olympic Games as a "national" event which will be a "showcase" for China. The Vice President of Henan University in Kaifeng told Emboffs he is extremely happy about China hosting the Olympics, and other provincial government officials agreed that the Olympics are an opportunity for China. A Provincial Foreign Affairs Officer said that children in Henan Province, as in the rest of the country, are especially excited about the Olympics and are collecting Olympic mascot toys and learning more about each of the Olympic events in school.

BUT CENTRAL CHINA LARGELY LEFT OUT

14. (SBU) Our contacts said, however, that they are disappointed Central China will not host any Olympic events with all of the Olympic venues (Beijing, Shanghai, Qingdao, Shenyang, Tianjin, Qinhuangdao, and Hong Kong) on the more developed coast. One official said the lack of events in the region will further expose China's growing wealth gap. She lamented that the Olympics will symbolically demonstrate to the world and to the Chinese people that development is concentrated on China's coast while Central and Western China are left behind. Several contacts said they understand Henan Province does not yet have the facilities to host an event the scale of the Olympics, but they nevertheless expressed disappointment that Central China is left largely on the outside looking in.

SOME HOPE FOR MORE TOURISM, INVESTMENT

15. (SBU) In Zhengzhou, Kaifeng, and Anyang, contacts uniformly said they are hopeful that the Olympics will help attract investors and tourists to Henan. An official at the Anyang Municipal Development Reform Commission (DRC) said Anyang, the home of the famed Oracle Bones, is likely to enjoy an increase in tourists before and after the Games. DRC contacts in all three cities, however, also said that the province does not have a specific plan to attract more tourists on the margins of the Olympics. They are simply hopeful that the word will get out about Henan's attractions such as the Oracle Bones, Longmen Grottoes, and Shaolin Temple, and foreign tourists will book separate packages to go to Henan while they are in China.

16. (SBU) As in other cities where Olympic events will take place such as Qingdao (reftel), Henan officials said the most substantive benefit for the province and region will be raising the economic

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profile for prospective investors. Wei Zhiyong, Head of the Foreign Economy Department at the Henan DRC, said that it is difficult to predict how much added investment will reach Henan and Central China as a direct result of the Olympics, but the province hopes there will be more interest in investment opportunities in the region after the Olympics have concluded.

COMMENT: OLYMPICS WILL NOT BENEFIT HENAN

17. (SBU) With no Olympic events taking place in Henan, and without any concrete plans to entice Olympic visitors to tourist destinations in the province or attract new foreign investors, provincial and municipal government officials -- despite exhortations that the Olympics are a great national event -- are feeling shortchanged about the upcoming Games. There is a high likelihood that residents in Henan and other interior provinces will feel jaded by the Olympics when faced by the obvious juxtaposition of high profile events on the coast against a total lack of activity in Central and Western China. Despite the government's efforts to balance its economy through its Central China Rising and Great Western Development policies, when it comes to the haves and have-nots, the Olympics may further highlight the rich-poor gap rather than alleviate it.

RANDT